



Laura Bateman
Carolinas Rates & Regulatory Strategy
410 S. Wilmington Street
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May 30, 2018

Jocelyn Boyd
Chief Clerk and Administrator
Public Service Commission of South Carolina
Post office Drawer 11649
101 Executive Center Drive, Suite 100
Columbia, SC 29211

RECEIVED
JUN 01 2018
PSC SC
MAIL / DMS

Dear Mrs. Boyd:

Enclosed per Docket No. 2006-268-E is the quarterly report of Duke Energy Carolinas, LLC for the twelve months ending March 31, 2018. Debt coverage ratio of earnings to Fixed Charges was 4.85 for this time period. Please note all costs and insurance settlements directly related to the 2014 Dan River release and clean-up are excluded from the retail returns.

Please feel free to contact me at 919.546.3324 if you have any questions.

Sincerely,

Laura Bateman
Carolinas Rates & Regulatory Strategy
Duke Energy

Enclosures:

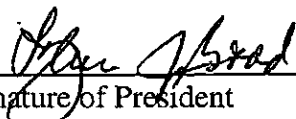
pc: Ms. Dawn Hipp, Director Utilities, Safety & Transportation
Office of Regulatory Staff
Mr. Willie Morgan, Deputy Director Utilities Rates
Office of Regulatory Staff

South Carolina

CERTIFICATION

(Certification must be signed by the Chief Executive Officer and the Chief Financial Officer)

I, Lynn J. Good, state and attest, under penalty of perjury, that the attached South Carolina Quarterly Report is filed on behalf of Duke Energy Carolinas, LLC, as required by the Public Service Commission of South Carolina; that I have reviewed said report and, in the exercise of due diligence, have made reasonable inquiry into the accuracy of the information and representations provided therein; and that, to the best of my knowledge, information, and belief, all information contained therein is accurate and true and contains no false, fictitious, fraudulent or misleading statements; that no material information or fact has been knowingly omitted or misstated therein, and that all information contained therein has been prepared and presented in accordance with all applicable South Carolina general statutes, Commission rules and regulations, and applicable Commission Orders. Any violation of this Certification may result in the Commission initiating a formal earnings review proceeding.


Signature of President

Lynn J. Good
Typed or Printed Name of Person Signing

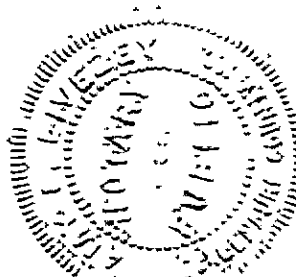
President, CEO & Chair of BOD
Title

5-29-18
Date Signed

Subscribed and sworn to before me this 29th day of May, 2018.


Notary Public

My Commission Expires: 11/16/22

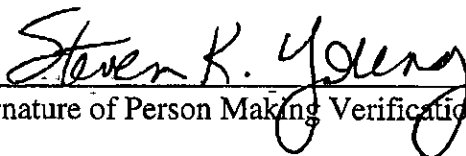


South Carolina

CERTIFICATION

(Certification must be signed by the Chief Executive Officer and the Chief Financial Officer)

I, Steven K. Young, state and attest, under penalty of perjury, that the attached South Carolina Quarterly Report is filed on behalf of Duke Energy Carolinas, LLC, as required by the Public Service Commission of South Carolina; that I have reviewed said report and, in the exercise of due diligence, have made reasonable inquiry into the accuracy of the information and representations provided therein; and that, to the best of my knowledge, information, and belief, all information contained therein is accurate and true and contains no false, fictitious, fraudulent or misleading statements; that no material information or fact has been knowingly omitted or misstated therein, and that all information contained therein has been prepared and presented in accordance with all applicable South Carolina general statutes, Commission rules and regulations, and applicable Commission Orders. Any violation of this Certification may result in the Commission initiating a formal earnings review proceeding.



Signature of Person Making Verification

Steven K. Young

Typed or Printed Name of Person Signing

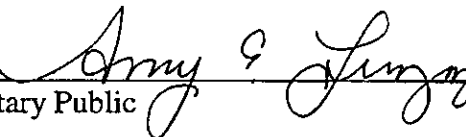
Executive Vice President & CFO

Title

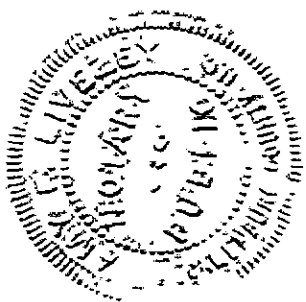
5/29/18

Date Signed

Subscribed and sworn to before me this 29th day of may, 2018.



Notary Public

My Commission Expires: 11/16/22

Schedule 1

Duke Energy Carolinas, LLC
Electric Operating Experience - Total Company & SC Retail
 12 Months Ended March 31, 2018
 Dollars in Thousands

Line No.	Description	Total Company			SC Retail		
		Regulatory Per Books	Pro-Forma Adjustments	As Adjusted	Regulatory Per Books	Pro-Forma Adjustments	As Adjusted
(Col. 1)		(Col. 2)	(Col. 3)	(Col. 4)	(Col. 5)	(Col. 6)	(Col. 7)
		\$	\$	\$	\$	\$	\$
1	<u>Operating Revenues</u>	<u>\$ 7,362,156</u>	<u>\$ (334,446)</u>	<u>\$ 7,027,710</u>	<u>\$ 1,749,762</u>	<u>\$ (89,616)</u>	<u>\$ 1,660,146</u>
2	<u>Operating Expenses</u>						
3	O&M Expenses - Fuel	1,551,353	-	1,551,353	361,155	-	361,155
4	O&M Expenses - Purchased Power and N	316,116	-	316,116	78,950	-	78,950
5	O&M Expenses - Wages, Benefits, Materi	1,869,106	(156,672)	1,712,434	453,989	(45,800)	408,189
6	Depreciation & Amortization Expenses	1,148,395	58,438	1,206,833	250,609	14,483	265,092
7	Taxes Other Than Income	281,417	20,133	301,550	80,442	4,852	85,294
8	Income Taxes	572,942	(78,813)	494,129	141,104	(19,128)	121,976.47
9	Investment Tax Credit	(5,288)	-	(5,288)	(1,242)	3	(1,239)
10	<u>Total Operating Expenses</u>	<u>5,734,040</u>	<u>(156,914)</u>	<u>5,577,126</u>	<u>1,365,007</u>	<u>(45,590)</u>	<u>1,319,417</u>
11	<u>Operating Return</u>	<u>1,628,116</u>	<u>(177,532)</u>	<u>1,450,584</u>	<u>384,755</u>	<u>(44,026)</u>	<u>340,729</u>
12	Customer Growth	-	2,499	2,499	-	2,499	2,499
13	Interest on Customer Deposits (Before Tax)	8,367	-	8,367	1,031	(5)	1,026
14	<u>Total Income for Return</u>	<u>\$ 1,619,749</u>	<u>\$ (175,033)</u>	<u>\$ 1,444,716</u>	<u>\$ 383,724</u>	<u>\$ (41,522)</u>	<u>\$ 342,202</u>
15	<u>Rate Base</u>						
16	Plant in Service	\$ 38,385,570	\$ 1,335,855	\$ 39,721,424	\$ 8,880,069	\$ 287,077	\$ 9,167,146
17	Reserve for Depreciation	(15,536,412)	(58,438)	(15,594,850)	(3,595,405)	(3,868)	(3,599,273)
18	Net Plant	22,849,158	1,277,416	24,126,574	5,284,664	283,210	5,567,873
19	Construction Work in Progress	156,297	1,720,227	1,876,524	36,798	398,598	435,396
20	Other Rate Base	(288,843)	-	(288,843)	(68,071)	-	(68,071)
21	Total Working Capital	(1,662,275)	(19,584)	(1,681,859)	(328,317)	(5,725)	(334,042)
22	Materials & Supplies	1,478,168	70,384	1,548,552	353,351	17,513	370,863
23	Accumulated Deferred Income Taxes	(3,482,530)	(53,327)	(3,535,857)	(810,337)	(13,601)	(823,938)
24	<u>Total Rate Base</u>	<u>\$ 19,049,975</u>	<u>\$ 2,995,116</u>	<u>\$ 22,045,091</u>	<u>\$ 4,468,088</u>	<u>\$ 679,994</u>	<u>\$ 5,148,082</u>
25	<u>Rate of Return</u>	8.50%		6.55%	8.59%		6.65%
26	<u>Return on Equity</u>	11.97%		8.32%	12.13%		8.50%

Schedule 3

Duke Energy Carolinas, LLC
Electric Accounting & Pro Forma Adjustments
Total Company
12 Months Ended March 31, 2018
Dollars in Thousands

Adj. #	Description	Revenues	O&M Expenses Fuel	O&M Expenses Other	Deprec. & Amort. Expense	Taxes Other Than Income	Interest on Customer Deposits	Income Taxes @ 0.2495 24.95%	Investment Tax Credit
	To Annualize Depreciation on Year-End								
1	Plant	\$ -	\$ -	\$ -	\$ 22,357	\$ -	\$ -	\$ (5,578)	\$ -
2	To Annualize Wage Rate Increase	-	-	30,222	-	2,243	-	(8,100)	-
3	To Update for Increased Benefits Costs	-	-	3,304	-	-	-	(824)	-
	To Annualize Property Taxes on Year-								
4	End Plant	-	-	-	-	10,665	-	(2,661)	-
5	To Reflect CWIP Closings to Plant	-	-	-	38,081	7,228	-	(10,805)	-
	To Adjust Income Taxes to Reflect								
6	Interest Synchronization	-	-	-	-	-	-	(13,130)	-
7	To eliminate unbilled revenues	(5,843)	-	-	-	(1)	-	(1,525)	-
8	Adjust coal inventory	-	-	-	-	-	-	-	-
9	Adjust the amount of CWIP in rate base	-	-	-	-	-	-	-	-
	Adjust 1/8 O&M for accounting and pro								
10	forma adjustments	-	-	-	-	-	-	-	-
11	To Exclude Greenwood Operations	-	-	-	-	-	-	-	-
	To Normalize Nuclear Refueling Outage								
12	Costs	-	-	(5,233)	-	-	-	1,306	-
	To remove SC Load Retention Rider								
13	revenues	0	-	-	-	-	-	-	-
	To remove DSM/EE program revenues								
14	and program costs	(328,603)	-	(184,966)	-	-	-	(37,496)	-
	TOTAL - ALL PRO FORMAS	\$ (334,446)	\$ -	\$ (156,672)	\$ 58,438	\$ 20,133	\$ -	\$ (78,813)	\$ -
		0	\$ -	\$ -	0	0	-	0	0

Adj. #	Description	Plant In Service	Accum. Deprec.	CWIP	ADIT	Other Rate Base	Working Cash	Materials & Supplies
1	To Annualize Depreciation on Year-End Pl	-	\$ (22,357)	\$ -	-	\$ -	\$ -	\$ -
2	To Annualize Wage Rate Increase	-	-	-	-	-	-	-
3	To Update for Increased Benefits Costs	-	-	-	-	-	-	-
4	To Annualize Property Taxes on Year-End	-	-	-	-	-	-	-
5	To Reflect CWIP Closings to Plant	1,335,855	(38,081)	-	(53,327)	-	-	-
6	To Adjust Income Taxes to Reflect Interes	-	-	-	-	-	-	-
7	To eliminate unbilled revenues	-	-	-	-	-	-	-
8	Adjust coal inventory	-	-	-	-	-	-	70,384
9	Adjust the amount of CWIP in rate base	-	-	1,720,227	-	-	-	-
10	Adjust 1/8 O&M for accounting and pro for	-	-	-	-	-	(19,584)	-
11	To Exclude Greenwood Operations	-	-	-	-	-	-	-
12	To Normalize Nuclear Refueling Outage C	-	-	-	-	-	-	-
13	To remove SC Load Retention Rider revenues	-	-	-	-	-	-	-
14	To remove DSM/EE program revenues and program costs	-	-	-	-	-	-	-
	TOTAL - ALL PRO FORMAS	\$ 1,335,855	\$ (58,438)	\$ 1,720,227	\$ (53,327)	\$ -	\$ (19,584)	\$ 70,384

Schedule 4

Duke Energy Carolinas, LLC
Electric Accounting & Pro Forma Adjustments
SC Retail
12 Months Ended March 31, 2018
Dollars in Thousands

Adj. #	Description	Revenues	O&M Expenses Fuel	O&M Expenses Other	Deprec. & Amort. Expense	Taxes Other Than Income	Interest on Customer Deposits	Income Taxes @ 0.2495 24.95%	Investment Tax Credit
1	To Annualize Depreciation on Year-End Plant	\$ -	\$ -	\$ -	\$ 6,761	\$ -	\$ -	\$ (1,687)	\$ -
2	To Annualize Wage Rate Increase	-	-	7,297	-	542	-	(1,956)	-
3	To Update for Increased Benefits Costs	-	-	798	-	-	-	(199)	-
4	To Annualize Property Taxes on Year-End Plant	-	-	-	-	2,855	-	(712)	-
5	To Reflect CWIP Closings to Plant	-	-	-	8,508	1,706	-	(2,548)	-
6	To Adjust Income Taxes to Reflect Interest Synchronization	-	-	-	-	-	-	(2,956)	-
7	To eliminate unbilled revenues	(176)	-	-	-	(1)	-	(46)	-
8	Adjust coal inventory	-	-	-	-	-	-	-	-
9	Adjust the amount of CWIP in rate base	-	-	-	-	-	-	-	-
10	Adjust 1/8 O&M for accounting and pro forma adjustments	-	-	-	-	-	-	-	-
11	To Exclude Greenwood Operations	(898)	-	(2,586)	(785)	(250)	(5)	711	3
12	To Normalize Nuclear Refueling Outage Costs	-	-	(1,336)	-	-	-	333	-
13	To remove DSM/EE program revenues and program costs	(88,542)	-	(49,973)	-	-	-	(10,068)	-
14	To remove SC Load Retention Rider revenues	-	-	-	-	-	-	-	-
TOTAL - ALL PRO FORMAS		<u>\$ (89,616)</u>	<u>\$ -</u>	<u>\$ (45,800)</u>	<u>\$ 14,483</u>	<u>\$ 4,852</u>	<u>\$ (5)</u>	<u>\$ (19,128)</u>	<u>\$ 3</u>

Adj. #	Description	Plant in Service	Accum. Deprec.	CWIP	ADIT	Deferred Debit/Credit	Working Cash	Materials & Supplies
1	To Annualize Depreciation on Year-End PI	-	\$ (6,761)	\$ -	\$ -	\$ -	\$ -	\$ -
2	To Annualize Wage Rate Increase	-	-	-	-	-	-	-
3	To Update for Increased Benefits Costs	-	-	-	-	-	-	-
4	To Annualize Property Taxes on Year-End	-	-	-	-	-	-	-
5	To Reflect CWIP Closings to Plant	314,922	(8,506)	-	(12,572)	-	-	-
6	To Adjust Income Taxes to Reflect Interest	-	-	-	-	-	-	-
7	To eliminate unbilled revenues	-	-	-	-	-	-	-
8	Adjust coal inventory	-	-	-	-	-	-	17,513
9	Adjust the amount of CWIP in rate base	-	-	398,598	-	-	-	-
10	Adjust 1/8 O&M for accounting and pro for	-	-	-	-	-	(5,725)	-
11	To Exclude Greenwood Operations	(27,845)	11,400	-	(1,029)	-	-	-
12	To Normalize Nuclear Refueling Outage C	-	-	-	-	-	-	-
13	To remove DSM/EE program revenues an	-	-	-	-	-	-	-
14	To remove SC Load Retention Rider revenues	-	-	-	-	-	-	-
TOTAL - ALL PRO FORMAS		<u>\$ 287,077</u>	<u>\$ (3,868)</u>	<u>\$ 398,598</u>	<u>\$ (13,601)</u>	<u>\$ -</u>	<u>\$ (5,725)</u>	<u>\$ 17,513</u>

Schedule 5

Duke Energy Carolinas, LLC
Statement of Fixed Assets - Electric
12 Months Ended March 31, 2018
Dollars in Thousands

Line No.	Description	Total Company			SC Retail		
		Per Books	Adjustments	As Adjusted	Per Books	Adjustments	As Adjusted
	(Col. 1)	(Col. 2)	(Col. 3)	(Col. 4)	(Col. 5)	(Col. 6)	(Col. 7)
		\$	\$	\$	\$	\$	\$
<u>Gross Plant in Service</u>							
1	Intangible Plant	\$ 945,379	\$ 54,783	\$ 1,000,161	\$ 218,810	\$ 12,462	\$ 231,273
2	Production	20,823,430	848,654	21,672,084	4,819,638	199,277	5,018,915
3	Transmission	3,912,948	97,188	4,010,137	902,749	17,922	920,671
4	Distribution	11,553,234	317,378	11,870,612	2,674,028	81,019	2,755,046
5	General	1,135,757	17,852	1,153,609	262,874	4,241	267,115
6	Common	-	-	-	-	-	-
	Subtotal	38,370,748	1,335,855	39,706,603	8,878,097	314,922	9,193,020
7	Plant Held for Future Use	14,822	-	14,822	1,972	-	1,972
8	Greenwood	-	-	-	-	(27,845)	(27,845)
9	Total Gross Plant in Service	\$ 38,385,570	\$ 1,335,855	\$ 39,721,424	\$ 8,880,069	\$ 287,077	\$ 9,167,146
<u>Construction Work in Progress</u>							
10	Production	\$ 128,451	\$ 1,214,346	\$ 1,342,797	\$ 30,569	\$ 285,148	\$ 315,717
11	Transmission	7,567	169,352	176,919	1,371	31,230	32,601
12	Distribution	3,637	174,670	178,307	917	44,589	45,506
13	General	7,770	80,484	88,255	1,840	19,119	20,960
14	Intangible	8,871	81,376	90,247	2,101	18,512	20,613
15	Total Construction Work in Progress	\$ 156,297	\$ 1,720,227	\$ 1,876,524	\$ 36,798	\$ 398,598	\$ 435,396

Schedule 6

Duke Energy Carolinas, LLC
Reserve for Depreciation - Electric
12 Months Ended March 31, 2018
Dollars in Thousands

Line No.	Description	Total Company			SC Retail		
		<u>Per Books</u>	<u>Adjustments</u>	<u>As Adjusted</u>	<u>Per Books</u>	<u>Adjustments</u>	<u>As Adjusted</u>
	(Col. 1)	(Col. 2)	(Col. 3)	(Col. 4)	(Col. 5)	(Col. 6)	(Col. 7)
		\$	\$	\$	\$	\$	\$
1	Intangible Plant	\$ (560,253)	\$ (1,572)	\$ (561,825)	\$ (129,672)	\$ (358)	\$ (130,030)
2	Production	(8,398,347)	(32,519)	(8,430,866)	(1,943,820)	(7,636)	(1,951,455)
3	Transmission	(1,411,157)	(5,121)	(1,416,278)	(326,078)	(944)	(327,022)
4	Distribution	(4,749,693)	(17,945)	(4,767,638)	(1,099,329)	(6,025)	(1,105,354)
5	General	(416,962)	(1,282)	(418,243)	(96,507)	(304)	(96,811)
6	Common					-	-
7	Greenwood					11,400	11,400
8	Total Reserve for Depreciation	\$ (15,536,412)	\$ (58,438)	\$ (15,594,850)	\$ (3,595,405)	\$ (3,858)	\$ (3,599,273)

Schedule 7

Duke Energy Carolinas, LLC
Other Rate Base - Electric
12 Months Ended March 31, 2018
Dollars in Thousands

Line No.	Description	Total Company			SC Retail		
		Per Books	Adjustments	As Adjusted	Per Books	Adjustments	As Adjusted
	(Col. 1)	(Col. 2)	(Col. 3)	(Col. 4)	(Col. 5)	(Col. 6)	(Col. 7)
		\$	\$	\$	\$	\$	\$
1	Operating Reserves	\$ (288,843)	\$ -	\$ (288,843)	\$ (68,071)	\$ -	\$ (68,071)
2							
3							
4							
5							
6							
7							
8	Total Other Rate Base	\$ (288,843)	\$ -	\$ (288,843)	\$ (68,071)	\$ -	\$ (68,071)

Schedule B

Duke Energy Carolinas, LLC
Total Working Capital - Electric
12 Months Ended March 31, 2018
Dollars in Thousands

Line No.	Description	Total Company			SC Retail		
		Per Books	Adjustments	As Adjusted	Per Books	Adjustments	As Adjusted
(Col. 1)		(Col. 2)	(Col. 3)	(Col. 4)	(Col. 5)	(Col. 6)	(Col. 7)
		\$	\$	\$	\$	\$	\$
1	Twelve Month O&M Expenses	<u>\$ 3,122,672</u>	<u>\$ (156,672)</u>	<u>\$ 2,966,000</u>	<u>\$ 741,050</u>	<u>\$ (45,800)</u>	<u>\$ 695,250</u>
2	Working Cash (1/8 of O&M Expenses on L	\$ 390,334	\$ (19,584)	\$ 370,750	\$ 92,631	\$ (5,725)	\$ 86,906
3	Average Tax Accruals	<u>(197,763)</u>	<u>-</u>	<u>(197,763)</u>	<u>(45,773)</u>	<u>-</u>	<u>(45,773)</u>
4	Subtotal: Investor Funds for Operations	<u>192,571</u>	<u>(19,584)</u>	<u>172,987</u>	<u>46,859</u>	<u>(5,725)</u>	<u>41,134</u>
5	Unamortized Debt	117,925	-	117,925	27,011	-	27,011
6	Required Bank Balance	300	-	300	69	-	69
7	Prepayments	38,710	-	38,710	8,497	-	8,497
8	Customer Deposits	(122,273)	-	(122,273)	(30,037)	-	(30,037)
9	Other	(1,887,509)	-	(1,887,509)	(380,714)	-	(380,714)
	Other Detail						
	Pension Funding	360,786		360,786	85,569		85,569
	SC DEP Deferred Depreciation and Reg L	(1,032)		(1,032)	(2,065)		(2,065)
	COR Reversal	102,794		102,794	44,798		44,798
	WC - Other - Injuries and Damages	554,339		554,339	131,474		131,474
	Reg Asset - FAS 109/Tax related	(3,041,406)		(3,041,406)	(632,628)		(632,628)
	SC Storm Reserve	(21,421)		(21,421)	(21,421)		(21,421)
	Other Misc	158,431		158,431	13,558		13,558
10	Total Working Capital	<u>\$ (1,662,275)</u>	<u>\$ (19,584)</u>	<u>\$ (1,681,859)</u>	<u>\$ (328,317)</u>	<u>\$ (5,725)</u>	<u>\$ (334,042)</u>

Schedule 9

Duke Energy Carolinas, LLC
Materials & Supplies - Electric
Dollars in Thousands

Line No.	Description	Total Company			SC Retail		
		Per Books	Adjustments	As Adjusted	Per Books	Adjustments	As Adjusted
(Col. 1)		(Col. 2)	(Col. 3)	(Col. 4)	(Col. 5)	(Col. 6)	(Col. 7)
		\$	\$	\$	\$	\$	\$
	Fuel Stock						
1	Fossil	220,812	70,384	291,196	54,942	17,513	72,454
2	Nuclear	469,554		469,554	116,833		116,833
3	Total Fuel Stock	690,366	70,384	760,749	171,774	17,513	189,287
4	Emission Allowances	28,329	-	28,329	6,529	-	6,529
5	Other Electric Materials and Supplies	759,473	-	769,473	175,047	-	175,047
6	Total Materials & Supplies	\$ 1,478,168	\$ 70,384	\$ 1,548,552	\$ 353,351	\$ 17,513	\$ 370,863

Note: (a) Adjustment to per book coal inventory balance to reflect target inventory level.

	Total Company	SC Retail
Coal Inventory Target Level (In tons)	2,525	
Price per Ton - Coal	\$97.50	
Total Company Pro Forma Inventory	<u>\$ 246,203</u>	<u>\$ 61,259</u>
Per Book Coal Inventory	\$175,819.29	\$43,746.70
Coal Adjustment	<u>\$ 70,384</u>	<u>\$ 17,513</u>

9

Notes: (a) Long term debt includes Mortgage and Pollution Control Bonds, Senior Debt, Capital Leases and Unamortized Debt expense discounts and premiums. Current long term debt maturities are excluded. (b) Includes net of tax Placidnet merger costs of approximately \$4 million.